

CANADIAN PACIFIC RAILWAY COMPANY.

Irrigated Lands on amortization terms. 35 years to pay. Special terms for actual settlers. Printed in U.S.A. 4-17-28.

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**Canadian Pacific Railway**

# **IRRIGATED LANDS On Amortization Terms 35 Years to Pay Special Terms for Actual Settlers**



Irrigation farmers the world over are interested, not only in the price they have to pay for first class land, but on what terms they can purchase it. In most cases a farmer's capital has to be spread so that he can get a start in his new home. His money must be conserved during the first years of occupation to allow him to purchase his stock and equipment, and other necessary expenses. Land payments must be kept down to allow him to get started. Buildings and fences must be constructed. There is machinery and stock to purchase, well to sink, and enough money held over so as to assure a comfortable living for his family.

The Canadian Pacific Railway Company realizing this problem of the average farmer, has put in force a long time amortized payment system, which gives the farmer 35 years to pay for his farm. In addition to this the Company gives the farmer the first year's free use of his farm with no charge for water. The second year an interest charge of 6% is made. This gives a farmer a good chance to get started and stops land payments accumulating, so that he should have a crop before his second payment becomes due, and then the payments are so small that it only takes a small proportion of his income to meet the payments, leaving him the balance to make necessary improvements and establish himself, with his family, in a comfortable home.

But this is not all the story—The Canadian Pacific Railway Company wants desirable farmers to become permanent settlers. We do not believe in the tenant system. We want farm owners, and we offer you, under our settlement plan, a still better proposition viz:

If you enter into actual occupation within six months of the date of your purchase and erect the necessary improvements for making it your home, you will not only be given one year free of interest and of water rental, but the second year you will be charged only 4% interest instead of 6%.

Furthermore, if the land you have chosen has to be broken or summer-fallowed, and you will, within one year from the date of your purchase, break or summerfallow, as the case may be, a certain amount of your farm, to be

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stated in the contract of sale, and you have complied with the settlement conditions, you will be given two years free use of the land and free water rental, instead of one year, and pay 4% instead of 6% interest the third year. That is, you pay no interest or water rental for two years; at the end of the third year you will pay 4% interest and the regular water rental; at the end of the fourth year, and each year thereafter, you will pay the regular 7% amortization payment for 34 years, which will retire both the interest and the principal in that time. You also pay \$1.25 per acre each year for water rental on the area covered by water right. This maintenance charge is exceptionally small.

These attractive terms have been put into force for the benefit of those prospective settlers who are serious in their desire to become permanently located in Canada. The outstanding feature is that a farm can be secured without the necessity for making large payments. Only a small proportion of the cost price of the land need be paid each year.

### **What Is Amortization?**

The word "amortize" is derived from the Latin word "mors" meaning death. To amortize a contract, therefore, means to "put it to death." Long time amortization means "put it slowly to death," and the surprising fact is that the ordinary bank rate interest of 7% will kill off both interest and principal in 34 years. It does not mean that the farmer pays 7% for 34 years and then the principal becomes due; the principal never falls due but is "killed off" by small payments each year; at the end of the period the purchaser has not only paid the interest but has also paid the principal—wiped out the original purchase price.

### **What Amortization Does for the Farmer**

Under the terms of ordinary land contracts, the larger payments occur during the earlier years of the agreement, that is when the farmer is most pressed for working capital. Many farmers know what it is to lie awake nights wondering how they are going to meet such payments. Amortization changes this condition entirely. Payments being so small, and there being no other payment than the down payment until the end of the second year, and the balance equalized over the life of the contract, relieve the strain on the farmer's mind and the drain on his resources. The fear of foreclosure no longer haunts his mind.

### **On the Regular Settlement Plan Based on 160 Acres of Land, 100 Acres Irrigable at Price of \$5,000.00**

Your first payment would be \$350.00, which would leave a balance to be amortized on a 34 year basis of \$4650.00. Presuming you buy this in January, 1928, your payments will be as follows: January, 1929, no payment at all. January, 1930, \$186.00 interest and \$125.00 water rental (based on 100 acres

of irrigable land). January, 1931, your total payment to cover interest and principal would be \$325.50 and \$125.00 water rental. This payment will continue for 33 years. The following table explains the payments:

Date of Contract—1st January, 1928.

Purchase price.....	\$5,000.00
1st payment 7%.....	350.00

Balance to be amortized on 34 year basis....	<u>\$4,650.00</u>
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*Land Payments*

*Water Right 100 Acres*

	<i>Annual Payment</i>	<i>Principal</i>	<i>Interest</i>	<i>Water Rental</i>
January 1929	Nil	Nil	Nil	Nil
1930	\$186.00	Nil	\$186.00	\$125.00
1931	325.50	\$46.50	279.00	125.00

Do. Balance 33 years.

ON THE SETTLEMENT PLAN WITH THE EXTRA ALLOWANCE  
FOR BREAKING OR SUMMERFALLOW BASED ON 160 ACRES  
OF LAND, 100 ACRES IRRIGABLE AT PRICE OF \$5000.00

The first payment at the time of selection would be 7% or \$350.00, balance to be amortized on 34 year basis of \$4650.00. January, 1929, no payment; January, 1930, no payment for land or water; January, 1931, interest \$186.00 and \$125.00 water rental; January, 1932, \$325.50 principal and interest and water rental of \$125.00, this continuing for 33 years. The following table explains the payments:

Date of Contract—1st January, 1928.

Purchase price.....	\$5,000.00
1st payment 7%.....	350.00

Balance to be amortized on 34 year basis....	<u>\$4,650.00</u>
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*Land Payments*

*Water Right 100 Acres*

	<i>Annual Payment</i>	<i>Principal</i>	<i>Interest</i>	<i>Water Rental</i>
January 1929	Nil	Nil	Nil	Nil
1930	Nil	Nil	Nil	Nil
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1932	325.50	\$46.50	279.00	125.00

Do. Balance 33 years.



## **The Farm You Wished to Own Is Now Within Your Reach**

These extraordinary terms give you the chance to get out of the rut and if it looks deeper further ahead, turn out right now. Get your affairs in shape and go to Western Canada this year. Don't say, a few years hence, "I wish I had gone there ten years ago," for an equal opportunity to obtain a foothold in one of the world's most fertile spots and grow with it to prosperity and happiness, may never come to you again.

### **Special Excursions and Rates For Landseekers**

In order that you may inspect the land—judge for yourself its value and fertility—special excursion parties leave frequently from United States points. Let us arrange details. Write nearest Company representative.

Omaha, Nebr.....	Assistant Superintendent of Colonization, 301 Karbach Building.
St. Paul, Minn.....	R. C. BOSWORTH, Hackney Building, Fourth and Jackson Streets, Assistant Superintendent.
Spokane, Wash.....	L. P. THORNTON, 702 First Avenue, Assistant Superintendent.
Portland, Ore.....	M. E. THORNTON, 208 Railway Exchange Building, Third and Stark Streets, Assistant Superintendent.
Calgary, Alta.....	S. G. PORTER, Manager, Department of Natural Resources, C. P. R. J. COLLEY, Assistant Superintendent, Colonization, C. P. R.
Edmonton, Alta.....	J. MILLER, Assistant Superintendent, Colonization, C. P. R.
Montreal, Que.....	C. LaDUE NORWOOD, Department of Natural Resources, C. P. R.
Toronto, Ont.....	C. R. BRADFORD, Assistant Superintendent of Colonization, 370 Union Station.
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Winnipeg, Man.....	F. W. RUSSELL, Department of Natural Resources, C. P. R.
Vancouver, B. C.....	H. J. LOUGHRAN, Department of Natural Resources, C. P. R.
	or
Winnipeg, Man.....	C. A. VAN SCOY, Canadian Pacific Railway, Superintendent of Colonization.

**Ask the Canadian Pacific About Canada.**